

A JOINT MEMORIAL

REQUESTING THE STATE AUDITOR TO STUDY THE NEED FOR STRICTER  
CONFLICT OF INTEREST STANDARDS FOR PUBLIC ACCOUNTANTS.

WHEREAS, recent public accountancy scandals have highlighted the dangers that exist and the corruption that can result when certified public accountants and auditors have multiple and conflicting business relationships with their clients; and

WHEREAS, stockholders and the general public must be able to rely upon the statements and reports of certified public accountants and auditors to be honest, unvarnished reports of a corporation's financial affairs; and

WHEREAS, corporate corruption aided and abetted by certified public accountants and auditors costs not only individual stockholders millions of dollars, but also governmental investors such as the state of New Mexico that invest taxpayer dollars; and

WHEREAS, such corruption further weakens the public's faith in its governmental and corporate institutions; and

WHEREAS, New Mexico law currently prohibits certain practices by certified public accountants, but might benefit from a review to determine if other practices should be prohibited;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO that the state auditor, with the assistance of the performance audit staff of the legislative finance committee, the New Mexico public accountancy board and the New Mexico society of public accountants, be requested to study the current ethical and conflict of interest standards for New Mexico's certified public

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accountants and the need, if any, to revise those standards and report his findings  
and recommendations, if any, to the second session of the forty-sixth legislature; and

BE IT FURTHER RESOLVED that copies of this memorial be transmitted to the  
state auditor, the director of the legislative finance committee, the New Mexico public  
accountancy board and the New Mexico society of certified public accountants.

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